

Federal Agencies Must Stop Secret Giving To Private Groups; Council to Make Gifts

WASHINGTON — (UPI) — President Johnson ordered an immediate halt to secret financing of educational or other private voluntary organizations by Federal agencies, including the Central Intelligence Agency.

He put Secretary of State Dean Rusk in charge of establishing a special public and private council, along the lines of the Smithsonian Institution, to provide Federal funds openly to any organization's overseas activities worthy of such support in the national interest.

Mr. Rusk's committee will include yet-unnamed representatives of the Executive Branch, Congress and the private community.

The President thus endorsed recommendations of a study committee created Feb. 15 during a furor over disclosures that the CIA had clandestinely poured millions of dollars into foreign activities of such groups as the National Student Association.

Study Committee's Report Published

It has been reported that the CIA spent \$5 million on student, religious, labor and other organizations for their work abroad in a 15-year period. One reliable source said this estimate "only scratched the surface" of CIA's covert spending.

The study committee, whose report was published by the White House yesterday, was headed by Under Secretary of State Nicholas Katzenbach and included CIA Director Richard Helms and John Gardner, Secretary of Health, Education and Welfare.

They acknowledged that covert operations might be required in future circumstances in which the national security was at stake. In this event, they said, an interdepartmental Government review committee should recommend exceptions to the President's prohibition, "but only where overriding national security interests so require."

"In no event should any future exception be approved which involves any educational, philanthropic or cultural organization," the committee said.

Ban Specifies Overseas Activities

As proposed by the Katzenbach group, Mr. Johnson ordered that "no Federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations."

The ban specifically applies to overseas activities, he said, noting that such covert financing already is prohibited within the United States.

"Where such support has been given, it will be terminated as quickly as possible without destroying valuable private organizations before they can seek new means of support," Mr. Johnson's statement said.

After a case-by-case review, the committee said the process of CIA disengagement from subsidizing private overseas activities, which already had begun, could largely be ended, perhaps entirely ended, by Dec. 31.

No current programs would justify an exception to the new policy, it said, refusing to detail other CIA programs because "no useful purpose would be served."